

STATE OF DELAWARE
OFFICE OF
AUDITOR OF ACCOUNTS

DELAWARE MENTORING PROGRAM

ALLEGED MISUSE OF GRANT FUNDS

SPECIAL INVESTIGATION

FIELDWORK END DATE: FEBRUARY 13, 2007

R. THOMAS WAGNER, JR., CFE, CGFM, CICA
AUDITOR OF ACCOUNTS

Townsend Building, Suite 1
401 Federal Street
Dover, DE 19901
TELEPHONE (302) 739-4241
FACSIMILE (302) 739-2723
www.state.de.us/auditor/index.htm

EXECUTIVE SUMMARY

ALLEGATION

The Office of Auditor of Accounts received an allegation that grant funds received from the Delaware Mentoring Council were improperly allocated at George V. Kirk Middle School (the School) in Christina School District.

BACKGROUND

The Department of Education (DOE) and Delaware Mentoring Council (DMC) signed an agreement for 2005-2006 in the amount of \$150,000. The agreement included:

1. The College of Human Resources, Education, and Public Policy will provide staff support for the DMC which has been established to coordinate and facilitate mentoring efforts statewide.
2. The University will establish an Office of Mentoring within the new Delaware Center for Teacher Education.
3. The University will provide programmatic support for the DMC with funding from public, private, and foundation sources.

The University of Delaware, DMC administers the mentoring grant process for the DOE. Individual schools submit grant applications to the DMC. A committee assembled by the DMC reviews the grant requests and submits award recommendations to the DOE.

CONCLUSIONS AND OBSERVATIONS

Grant funds related to Fiscal Year (FY) 2005 were properly allocated to and spent at the School.

FY 2006 grant funds totaling \$10,000 were allocated to the School. Expenditures totaling \$3,785.41 were properly charged against the grant. Expenditures totaling \$4,921.31 were attributable to the FY 2007 grant, yet were improperly charged against the FY 2006 grant.

Weaknesses identified in the mentoring program are as follows:

- Grant requests are not compared to prior year actual use; hence, there is no determination of the reasonableness of the funding request. For example, the School's allowable FY 2006 grant expenditures totaled \$3,785.41. The School was awarded \$18,000 for the FY 2007 grant year. Based on allowable FY 2006 expenditures, the School did not demonstrate a need for the amount of funds requested and received for FY 2007.
- The grant period and period of availability are not clearly defined. This resulted in confusion as to cutoff dates and when expenditures could be incurred.
- With many grants, a final accounting of grant funds is required. This is not a requirement of mentoring grant funds.

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Audit Authority

Title 29, Del. C. c. 29 authorizes the Auditor of Accounts to file written reports containing:

1. Whether all expenditures have been for the purpose authorized in the appropriations;
2. Whether all receipts have been accounted for and paid into the State Treasury as required by law;
3. All illegal and unbusinesslike practices;
4. Recommendations for greater simplicity, accuracy, efficiency and economy; and
5. Such data, information, and recommendations as the Auditor of Accounts may deem advisable and necessary.

ALLEGATION AND BACKGROUND

ALLEGATION

The Office of Auditor of Accounts received an allegation that grant funds received from the Delaware Mentoring Council (DMC) were improperly allocated at George C. Kirk Middle School in Christina School District.

BACKGROUND

In Fiscal Year 2006, the 143rd General Assembly, House Bill 300, appropriated \$500,000 to the Department of Education (DOE) for Student Mentoring. Of this amount, \$350,000 was available to DOE to review and award grants competitively to schools with grades kindergarten through eighth. The remaining \$150,000 was available to the University of Delaware for the DMC to provide technical assistance and professional development for mentors and other activities.

DMC is a coalition of mentor programs, local corporations and businesses, government agencies, and organizations committed to providing mentors to youth in need throughout the State of Delaware. Former Governor Tom Carper established DMC in 1998. DMC comprises representatives from education, government, businesses, and mentoring service providers with the common goal of increasing the impact of mentoring across the State.

DOE and DMC signed an agreement for Fiscal Year (FY) 2006 in the amount of \$150,000. The agreement included:

1. The College of Human Resources, Education, and Public Policy will provide staff support for the Delaware Mentoring Council which has been established to coordinate and facilitate mentoring efforts statewide.
2. The University will establish an Office of Mentoring within the new Delaware Center for Teacher Education.
3. The University will provide programmatic support for the DMC with funding from public, private, and foundation sources.

The University of Delaware, DMC administers the mentoring grant process for the DOE. Individual schools submit grant applications to the DMC. A committee assembled by the DMC reviews the grant requests and submits award recommendations to the DOE.

OBJECTIVES, SCOPE, & METHODOLOGY

OBJECTIVES

The objective of the investigation was to determine if the mentoring grant funds were allocated properly to George V. Kirk Middle School (the School) in the Christina School District.

SCOPE

The investigation was performed in accordance with the President's Council on Integrity and Efficiency, *Quality Standards for Investigations*.

The scope of the investigation included a review of mentoring grant funds at the School for FY's 2005 and 2006.

METHODOLOGY

Investigative techniques included:

- Interviews and inquiry
- Inspection and confirmation of documentation

The investigation consisted of the following procedures:

- Obtain and review the School's grant applications for FY's 2005 and 2006.
- Obtain and review listing of award amounts and compare to transfer of funds for FY's 2005 and 2006.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSION

FY 2005 Grant Funds

The School submitted a grant application to the DMC requesting funding of \$6,000 for its mentoring program during FY 2005. The application indicated that funds would be spent as follows:

Salaries and Employment Costs	\$3,000
Contracted Services	2,000
Curriculum and Program Design	500
Supplies and Materials	<u>500</u>
Total	<u>\$6,000</u>

The actual amount awarded and allocated to the School was \$3,000. The School used the funds to pay for a mentoring coordinator. This coordinator was from the University of Delaware's Americorps Vista Program.

For FY 2005, the allegation was unsubstantiated.

FY 2006 Grant Funds

The School submitted a grant application to the DMC requesting funding of \$10,000 for its mentoring program during FY 2006. The application indicated that funds would be spent for salaries and employment costs. The actual amount awarded and allocated to the School was \$10,000. Actual spending charged against the grant funds for FY 2006 was as follows:

- \$3,785.41 attributable to the FY 2006 mentoring program. These transactions were properly charged against the FY 2006 grant.
- \$4,921.31 attributable to the FY 2007 mentoring program. These transactions were improperly charged against the FY 2006 grant.

As of January 31, 2007, unspent FY 2006 grant funds totaled \$1,293.28.

Based on interviews with DOE officials and review of the School's activity for FY 2006 grant funds, the following weaknesses were identified:

- Grant requests are not compared to prior year actual use; hence, there is no determination of the reasonableness of the funding request. For example, the School's allowable FY 2006 grant expenditures totaled \$3,785.41. The School was awarded \$18,000 for the FY 2007 grant year. Based on allowable FY 2006 expenditures, the School did not demonstrate a need for the amount of funds requested and received.
- The grant period and period of availability are not clearly defined. This resulted in confusion as to cutoff dates and when expenditures could be incurred.
- With many grants, a final accounting of grant funds is required. This is not a requirement of the mentoring grant funds.

CONCLUSIONS AND RECOMMENDATIONS

RECOMMENDATIONS

DOE and the DMC:

- Clearly define the grant award period and the period of availability;
- Provide oversight of the use of the funds to ensure the funds are used within the period of availability and in accordance with the grant application and award;
- Require a final accounting of grant funds;
- Perform audits to ensure adequate oversight; and
- Compare grant applications to prior year actual usage, to determine reasonableness of funding requests.

Christina School District:

- Review invoices for the dates of service and ensure transactions are coded to the appropriate funding periods based on the dates of service; and
- Recode \$4,921.31 in expenditures to the FY 2007 grant. The remaining balance of FY 2006 grant funds, \$6,214.59, be reverted to the State.

AUDITEE RESPONSE

DOE:

The department met with representatives from the Delaware Mentoring Council on January 9, 2007 to review the issues raised during the audit review. The discussion included the need to amend the application process to clearly state the grant period of July 1 through the beginning of the subsequent school year, the submission of progress reports with renewal applications and the submission of final reports by December 31 following the grant end date. The grant amendment process as used by DOE will be included with the application packet and the use of DOE grant forms in the application process was also discussed. The DOE and Mentoring Council will continue to collaborate in an effort to ensure alignment of the mentoring activities with other funds made available to the districts.

Christina School District:

The District will review invoices to guarantee transactions are coded to the appropriate funding period. The District is currently working with the Department of Education to revert the remaining balance of FY 2006 grant funds.

DISTRIBUTION OF REPORT

Copies of this report have been distributed to the following public officials:

Executive

The Honorable Ruth Ann Minner, Governor, State of Delaware
The Honorable Valerie A. Woodruff, Secretary, Department of Education

Legislative

The Honorable Russell T. Larson, Controller General, Office of the Controller General

Other Elective Offices

The Honorable Joseph R. Biden III, Attorney General, Office of the Attorney General

Other

Dr. Lillian M. Lowery, Superintendent, Christina School District
Mr. Patrick T. O'Rourke, Chief Financial Officer, Christina School District
Mr. James R. Durr, President, Board of Education, Christina School District
Mr. Jerry Gallagher, Director, Financial Management, Department of Education
Ms. Michelle V. Knights, Director, Delaware Mentoring Council